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ABSTRACT

This document is one in a series which aims to assist Local Authorities in Britain with asset management planning (AMPs) for schools. AMPs set out the information needed, and the criteria used, to make decisions about spending on school premises. The document provides guidance on the appraisal of school AMPs in 2002 to inform 3-year formulaic capital allocations beginning in 2003-04. It also outlines elements of the data required for appraisal in 2003 for 2004-05 capital allocations. The guidelines incorporate several key changes to ensure that AMPs operate at a more strategic level within Authorities. (Appendices contain the appraisal frameworks for the statement of priorities and the local policy statement, and required project details.) (EV)

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ED 468 350

Asset Management Plans

Appraisal Guidance for 2003-04

EF 006 113

department for
education and skills
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April 2002

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AMP APPRAISAL GUIDANCE FOR 2003-04

Audience for this guidance:

- Chief Executives (CEs) of Local Authorities;
- Chief Education Officers (CEOs) of LEAs;
- Directors of Finance;
- Other officers responsible for strategic planning;
- LEA Capital Programme Officers and Capital Managers;
- Head teacher, Governor and Diocesan representatives on AMP Working Groups;
- Dioceses and main Foundations;
- Private sector providers of asset management services to Authorities.

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EXECUTIVE SUMMARY

1. This year[1], we are changing our approach to the appraisal of school Asset Management Plans (AMPs) in order to bring about a step change in their development. We want AMPs to become more strategic, to join up funding streams, and to deliver more, and larger, modernisation projects that deliver best value facilities. We also want to use AMP appraisal to help strengthen the contribution that schools capital funding makes towards raising standards and delivering key Government priorities, particularly those set out in the transforming secondary education (TSE) and transforming the school workforce (TSW) agendas[2].

2. Following on from the outcome of the 2002 Spending Review, the capital round this autumn will provide indicative capital allocations for individual local education authorities (LEAs) up to 2006. As part of our appraisal of AMPs, we plan, therefore, to include a programme of meetings with Chief Education Officers and, where possible, Local Authority Chief Executives. The purpose will be to explore the link between capital investment strategies and the delivery of educational priorities, and to examine investment plans up to 2005-06. In addition to the responsibilities for good stewardship of school buildings, these meetings will include discussions focusing on how capital investment will help to raise educational standards, promote inclusion and improve pupil behaviour, provide better working environments for the school workforce, and tackle cross-cutting issues.

3. The huge increase in schools capital funding in recent years provides a real opportunity to improve the effectiveness of the school estate and the contribution that it makes towards raising standards. Our recent publication: *Schools for the Future – Designs for Learning Communities* sets out a blueprint for how we see schools being transformed to support the delivery of high class 21st Century education and inclusion. Effective and strategic AMPs will help to make sure that all capital investment decisions are tested against these new design standards so that best value, rather than lowest cost, solutions are delivered.

4. The box below summarises DfES policy priorities and the main features of the new appraisal arrangements.

Departmental priorities

Within the local context, we would expect the AMP process to deliver joined-up, modernising projects that reflect not only Authorities' good stewardship priorities, but also align, as appropriate, with the following key DfES priorities. The Department regards the first four as being particularly high priority for the purposes of developing plans for investment:

- a security strategy for all schools;
- schools causing concern, including schools in challenging circumstances;
- the approach to increasing diversity (including planned Academies);
- wider behaviour initiatives, such as Pupil Referral Units;
- inclusion, and providing efficient high quality provision for pupils with SEN eg in relation to the requirements of the Disability Discrimination Act;

[1] This guidance covers AMP appraisal which will take place this year, but impact on capital budgets and planning in 2003-04 and later

[2] Background on the TSE and TSW initiatives can be found, respectively, at www.dfes.gov.uk/speeches/ and www.teachernet.gov.uk/remodelling.

- the extended schools agenda, including the community use of facilities and integrating education and other local Authority services and needs - for example, Sure Start, nursery provision (particularly to meet the pledge on three year olds), childcare for 4-14 year olds and lifelong learning;
- addressing teacher workload issues and remodelling the school workforce, such as accommodation for more adults and support staff in schools, more and improved facilities to enable teachers to make the best use of non-contact time, and more flexible school designs to enable delivery of innovative teaching and learning;
- supporting the 14-19 agenda;
- expanding successful schools;
- providing high quality and sustainable building design solutions that reflect the aspirational priorities expressed in *Schools for the Future*, and the future needs of ICT-based education;
- National Curriculum requirements, including manifesto commitments on music and PE/sport, and the need to provide satisfactory science laboratories and design and technology facilities.

Main changes to AMP appraisal process for 2003-04:

- a greater engagement of Chief Executives and Chief Education Officers in the AMP appraisal process, including meetings to discuss their strategies and plans;
- a greater focus on LEAs' Statements of Priorities, which show how the capital investment strategies and plans will deliver specific projects, set within national priorities and other local plans;
- shifting the emphasis of appraisal more towards the outputs and outcomes of AMPs, including LEAs' investment programmes and projects, and progress against improvement targets.

Documentation required for AMP Appraisal for 2003-04, to be supplied by end of July 2002:

- AMP Statement of Priorities;
- AMP Local Policy Statement;
- Project details.

Data required (later in 2002 and in 2003) for AMP Appraisal 2004-05:

- Net Capacity data;
- Updated premises, condition and suitability data.

SECTION 1: CONTEXT AND BACKGROUND TO AMPs

Introduction

5. This document provides guidance for the appraisal of school AMPs in 2002 to inform three-year formulaic capital allocations beginning in 2003-04. It also outlines elements of the data required for appraisal in 2003 for 2004-05 capital allocations.

6. This guidance has been developed in consultation with the Department's Capital Strategy Consultative Group, which includes representatives of local government, governors, head teachers and the main Churches; and with the AMP Focus Group, which represents LEA members of the AMP Information Network. It also takes account of feedback on last year's appraisal process from individual authorities and through regional seminars. We are making a number of key changes this year to ensure that AMPs operate at a more strategic level within Authorities.

7. We plan to discuss the AMP appraisal arrangements at this year's CEO, Education Building Officer and DfES Schools Capital and Buildings Division conferences.

Role of AMPs within the Schools Capital Strategy

8. The Department consulted in 1999 on its proposals for a new Schools Capital Strategy. The consultation showed widespread support for the general thrust of the strategy. There was, in particular, overwhelming support for the proposal to move away from mainly annual bidding rounds to a more stable and predictable funding regime based on formulaic allocations, informed by the appraisal of AMPs[3]. These Plans, now being developed by Authorities in consultation with schools and their other local partners, lie at the heart of the Schools Capital Strategy.

9. Based on thorough assessments of all maintained school buildings, AMPs provide a rigorous framework within which capital investment needs can be identified and then prioritised in an open, transparent and consultative manner, involving schools and other local partners. They have enabled the Department to allocate an increasing proportion of capital funding by needs-related formulae and, where AMPs are appraised to be satisfactory, allowed Authorities the autonomy to use funding without further reference to the Department. This increased certainty of future capital funding also enables the local planning of capital projects to commence sooner, and through a more joined up process. The scale of investment that it supports should also enable authorities to put in place the level of professional support that is needed to deliver best value projects without unnecessary delays.

10. AMPs should take account of the capital consequences of other local Plans that have premises implications. These include the LEA's Education Development Plan, School Organisation Plan etc, as well as the Local Authority's Capital Strategy and Corporate AMP. The AMP should also be reflected in the capital aspects of school-level plans, such as School Development/Improvement Plans. This approach provides the opportunity for more 'joined-up' capital investment and more effective targeting of funding to where it can have the greatest impact on raising educational standards, as well as addressing cross-cutting issues such as support for children at risk, childcare for 4-14 year olds etc. This will include identifying opportunities for

[3] For VA schools, we have aimed to mirror these arrangements as far as possible, whilst respecting the essential differences of the VA sector. Much of VA capital funding is already distributed formulaically, but a small capital round remains in place to cater for larger projects.

extending the use of school facilities so that they can become focal points for the whole community and provide or host a range of family and social services.

AMP appraisal

11. The effectiveness of the appraisal arrangements is key to the success of the Schools Capital Strategy and development of AMPs. Appraisal will influence and incentivise LEAs to improve standards of asset management planning, and provide an instrument for ensuring that national educational priorities are implemented, as appropriate, at the local level.

Departmental priorities to be delivered through AMPs

12. As well as local priorities, Authorities' AMPs should reflect central Government priorities, commitments and targets: the key policy imperatives for DfES are shown in the Executive Summary. While the emphasis will vary between LEAs according to the local circumstances and needs of pupils, schools and communities, we would expect there to be an alignment of LEA and schools capital programmes with central priorities, where appropriate. Authorities should explain in their AMP Local Policy Statement where national priorities do not apply locally.

What education AMPs have achieved so far

13. Education AMPs have enabled progress in a number of key areas:

- a greatly improved knowledge of the school estate for DfES, LEAs, dioceses and schools. This has helped DfES to make the case to the Treasury for increased capital investment in schools, and helped LEAs to justify their capital budgets. AMPs are widely seen by LEAs and many schools as a good thing. They demonstrate clearly to all schools their entitlement to good quality buildings;

- a big reduction in bureaucracy associated with abortive bidding. Before AMPs were developed, almost all capital investment in schools was allocated through bidding. Processes tended to be opaque, and there was much overbidding. AMPs have enabled 85% of conventional capital funding to be allocated by formulae;

- schools have a much better awareness of how capital investment is prioritised locally, and of how their needs rank against others. Sufficiency, suitability and condition needs have been quantified objectively through surveys, and are enabling mainly needs-based formulaic allocations to be made over a period of three years. This gives much greater certainty of future capital funding to LEAs than was possible previously;

- the application of the inverse proportion rule in AMP appraisal by DfES has improved local decision-making processes, and school asset management planning generally. At this stage, around 90% of LEAs have so far made satisfactory progress with the development of their AMPs. The Plans have encouraged better scoping of projects, and the joining up of separate funding streams and initiatives to enable larger and better value projects to be delivered, rather than piecemeal additions. Schools are beginning to gain a better understanding of their stewardship responsibilities, and previous perverse incentives have been removed. Where AMPs are assessed as unsatisfactory, the intention is that Authorities should still receive equitable

allocations of capital funds; however, these Authorities have to apply to DfES for approval of all individual projects before this funding can be released. This will also influence discretionary allocations through the Single Capital Pot.

Where further development is required

14. Although the development of AMPs has brought great improvements in the management of schools capital investment and the stewardship of the school premises, there is still a long way to go. Many local processes and data are not yet fully robust, and the linkage of investment to need has often been arbitrary. There is still a strong tendency towards lowest cost projects, and insufficient emphasis on modernisation. Many AMPs need to be more strategic. Areas where general improvement is needed include:

- raising the profile of capital investment within authorities so that there is a much more strategic focus on how it can best support improvements in educational standards, promote inclusion, improve pupil behaviour, and provide better non-teaching workspaces, through the delivery of the TSE/TSW priorities;

- integrating the capital consequences of other plans, both educational and corporate;

- embedding the need to continue to maintain good quality data and decision-making;

- improving the quality of data, consultation and transparency at many LEAs;

- improving the capacity at schools and LEAs to make decisions based on appropriate options appraisal, and to manage projects effectively to ensure available capital funding is invested quickly and without undue delay;

- embedding good stewardship at school level, particularly in relation to delegated and devolved funding, including proper maintenance of school buildings.

15. To assist authorities and schools, we are issuing simultaneously with this document *Finding the Right Solution – A Guide to Option Appraisal* to encourage the use of options appraisal methods. We have also recently published guidance called *Schools for the Future*, which provides a modernisation model against which all capital projects should be assessed. Through these guidance documents, and appraisal, we plan to bring about best value, joined up and modernising investments, rather than a series of potentially smaller, lowest cost but poor value, patch-and-mend initiatives.

Single Capital Pot (SCP)

16. The SCP has been introduced to bring about a more joined-up use of capital across a range of government services, to reward strategic planning and good performance, and to help strike an appropriate balance between local decision-making and the need to meet national priorities.

17. The outcomes from the appraisal of school AMPs will feed into the SCP in two ways. Firstly, the appraisal scores will be used by DTLR as the education

service delivery part of the calculation used to allocate the discretionary element of the SCP. Secondly, in line with the recommendations arising from the DTLR White Paper: *Strong Local Leadership – Quality Public Services*, we are considering what role education AMP appraisal will play within the proposed Comprehensive Performance Assessment framework in terms of scoring systems and levels of funding autonomy that might attach to different scores.

18. Further information on the SCP is available at: www.local.dtlr.gov.uk/

Best Value and Local Public Service Agreements

19. The SCP is part of a wider modernising agenda, set out in the Government White Paper *Modern Local Government – In Touch with the People*. Since April 2000, Local Authorities have had a duty of Best Value in delivering services. Best Value aims to improve the quality of services through challenge, competitiveness, developing links with communities, partnership working and clear accountability. The development of individual service and corporate AMPs and the SCP will build on this foundation.

20. Under Best Value, Authorities are required to make fundamental reviews of their functions. A Best Value review may result in new objectives for the use of existing property and for new investment. The education AMP should reflect the planned proposals for implementing the outcomes of Best Value reviews and other relevant reviews and improvement/development plans. The AMP documentation must be available to inform decisions on service or thematic reviews.

20. For Authorities that enter into Local Public Service Agreements (PSAs), a sound AMP will provide an essential framework for identifying and managing the capital implications of delivering education PSA improvement targets. Further information on Local PSAs can be found at: ntweb1/localstandards/main/bckgroundinfo.htm.

Further guidance on AMPs

21. The Department has published the following guidance relating to AMPs:

- *Section 1: Framework* (re-issued April 2000);
- *Section 2: Property Information Systems and School Premises Data* (re-issued April 2000);
- *Section 3: Condition Assessment* (re-issued April 2000);
- *Section 4: Suitability Assessment* (re-issued April 2000);
- *Section 5: Sufficiency Assessment* (issued March 2001);
- *Assessing the Net Capacity of Schools* (October 2001);
- *Building Bulletin 95: Schools for the Future – Designs for Learning Facilities* (February 2002);
- *Finding the Right Solution – A Guide to Option Appraisal* (April 2002). Jointly produced by DTLR and DfES.

22. The documents above are available via the DfES school buildings website at http://www.teachernet.gov.uk/schoolbuildings.

23. Later this year, we intend to publish further analyses of AMP data for benchmarking purposes, and guidance for schools on how to improve the stewardship of their buildings.

24. We will also be issuing a revision of *Building Bulletin 82: Area Guidelines for Schools*, reflecting the demand for greater inclusion and more ICT facilities in mainstream schools. Further information is available from: www.teachernet.gov.uk/sbareaguidelines.

SECTION 2. APPRAISAL ARRANGEMENTS FOR 2003-04

Introduction

25. AMP appraisal in the past two years has focused mainly on:

- the quality of building survey information as it has become available;
- the effectiveness of LEAs' processes (but not always at a very strategic level) in arriving at investment priorities.

26. This approach has recognised the above elements as being the necessary building blocks of AMPs. This year, however, we plan a step change in the appraisal process to encourage LEAs to focus much more on the strategic aspects of asset management planning, and on the achievement of target outputs and outcomes. This will include a programme of meetings with Chief Education Officers and Chief Executives.

27. More generally, we expect to move towards more in-year, field-based, assessment. This will include taking into account performance evidence from other recent meetings and contacts with Authorities, as well as correspondence with schools and Dioceses on capital-related issues.

28. This year, we have reduced substantially the amount of documentary information required for the desk-based appraisal, and most LEAs will not be required to provide any additional AMP premises information.

29. Further information on these new elements is given below. An indicative appraisal timetable is shown at paragraph 56.

Meetings with Chief Education Officers and Chief Executives

30. To bring about higher profile and more strategically focused AMPs, we want to arrange a programme of meetings with Chief Education Officers and, where possible, Local Authority Chief Executives[4]. The main purpose will be to discuss the link between capital investment strategies and the delivery of educational priorities, and to examine investment plans up to 2005-06. In addition to the responsibilities for good stewardship of school buildings, these meetings will include discussions on how capital investment priorities will help to raise educational standards, promote inclusion, and provide better non-contact spaces for the school workforce, and improve pupil behaviour in line with the TSE/TSW agendas. We will also want to discuss cross-cutting issues, and how funding streams can be joined up to deliver modernising projects that focus on best value rather than lowest cost, as well as the capacity of the Authority to invest available capital resources quickly and without undue delay.

31. We will not be appraising LEAs' AMPs directly on the basis of discussions at these meetings, but rather using them to inform our overall view of the progress being made and, where necessary, to provide a basis for arranging longer-term support.

32. The meetings will generally be led by the Education Advisers from the DfES's Standards and Effectiveness Unit, supported by Local Implementation Division (LID)

[4] These meetings will also involve private sector partners where Authorities have outsourced education/property services.

territorials, Schools Building and Design Unit (SBDU) professionals and, where appropriate, specialist policy division interests. The approach and timescales for these meetings will be differentiated to reflect the needs of authorities. 'Need' will take into account educational attainment and the progress towards narrowing the achievement gap, as well as wider TSE/TSW initiatives, evidence of the capacity to deliver programmes quickly to utilise all available resources, and previous AMP performance. We would also like to discuss Authorities' capital processes in relation to actual planned projects; therefore, ahead of the meetings, we are asking for some brief details on a sample of projects due to start in 2003-04 (see paragraph 45).

33. We intend to carry out a phased programme of these meetings in the period up to March 2003. Earliest discussions will take place with those LEAs with greatest educational need and/or where school organisation/AMP issues have been identified. As far as possible, we will attempt to include these meetings as part of our normal contact with LEAs. We are also particularly keen to identify 'best practice' amongst authorities to help benchmark good performance.

Documentary information required

34. We would ask all LEAs to supply the following documentation:

- Statement of Priorities;
- Local Policy Statement;
- Project details.

35. When submitting, Authorities should indicate when they expect members' approval of any draft documentation.

Statement of Priorities

36. This is the key strategic document arising from the AMP. It will allow schools, Dioceses, and other local partners, and the DfES to have a clear view of local priorities, and show that the asset management planning process is effective. It should show:

- the context of the LEA, including the Authority's vision for raising school standards and identify the areas where delivery needs to be underpinned by capital investment;
- the Authority's strategic priorities for capital investment arising from LEA plans, major rationalisations, specific initiatives, cross-cutting issues and maintaining the fabric of the school building stock;
- how the priorities align with the Government priorities set out in the Executive Summary of this guidance;
- that funding streams are joined up and used strategically in projects;
- that the professional resources are in place to ensure that all available capital funding is invested on time and without undue delay;
- targets for developing or improving the performance of the school building stock, and how the Authority is progressing against targets set last year;
- summaries of the available funding sources and the capital programme, and a list of the main projects over £0.25 million in value;
- a programme delivery timescale, which should be at least to the end of the Spending Review period 2005-06.

37. Annex A provides further details on these requirements and sets out the

appraisal framework. The preferred maximum length for this statement should be no more than 10 pages, with the information on targets, funding sources and programme, and capital projects included as additional annexes.

38. An example Statement of Priorities is provided for guidance on the DfES AMP web page at www.dfes.gov.uk/amps/. Any use of this example by an Authority in the development of its own Statement of Priorities should of course reflect local needs, priorities and circumstances.

Local Policy Statement (LPS)

39. This document explains how the processes underpinning the AMP and Statement of Priorities, such as consultation, building assessment, prioritisation etc, work in practice. It provides a useful indicator and means of validation for the DfES and the local partners that the AMP development process is on track and that key processes are robust.

40. Annex B sets out the appraisal framework, which generally follows the pattern of last year's appraisal framework. We would expect LEAs that achieved good appraisal grades for the LPS last year (i.e. scoring 3 or 4) to supply a largely unchanged LPS, and to include a separate note indicating any changes in relation to local arrangements, alignment with Government policy priorities, or to AMP appraisal feedback given in the letter of 18th December 2001. Alternatively, these LEAs may wish to supply a revised version of the LPS that aligns with the order of headings shown in the appraisal framework in Annex B. We would ask LEAs that received lower grades, and which need to make more extensive revisions, to follow the order shown in Annex B.

41. It is, of course, essential that the policy intentions of the LPS are working effectively in practice. The LPS document must clearly show this.

How the documentation will be appraised

42. Appraisal of the above documentation will be a desk-based exercise coordinated by LID territorial staff, with input from building professionals, and relevant Schools Directorate policy teams.

43. This exercise will also help to identify good practice, which, along with good practice identified through the CEO/CE meetings and other contacts, will be disseminated to provide support and guidance for Authorities with weaker processes.

44. The appraisal of education AMPs will occur in conjunction with the assessment of the education part of Capital Strategies and Corporate AMPs carried out with Government Offices in connection with the Single Capital Pot.

Project details

45. We are asking LEAs to supply initial information on up to 10 school building projects that are planned to commence on site in 2003-04. On the basis of these details, we will later select two or three for which we will ask for slightly more in-depth information on aspects such as appraisal methods, planning and design, procurement, costs and programming.

46. We will use this data to inform the CEO/CE meetings and the appraisal of Statements of Priorities and LPSs. Over the longer term, we also plan to use it as a

basis for tracking Authorities' progress in the delivery of projects, particularly in relation to the Modernisation, Rethinking Construction and Better Public Buildings agendas. For the purpose of collecting the initial information, we shall provide a simple web-based data inputting system on the AMP web page at www.dfes.gov.uk/amps/. This should be operational from the **end of May 2002.** The table in Annex C outlines the type of data we need by the end of July 2002. For Authorities involved in the early meetings, we will ask separately for a brief summary of the information before the meetings.

Basis for grading Authorities

47. In arriving at a grading for Authorities, appraisal will focus on the adequacy and quality of AMPs as indicated by the above documentation. It will also be informed by the outcome of the CE/CEO meetings, by our recent assessment of condition and suitability survey data (for some authorities), and by other information arising from our contacts with LEAs, schools, Dioceses and other local partners.

48. We plan to apply a rating system that aligns with the one to be used by DTLR in connection with the SCP assessment. We will assess the relative importance of each element in the overall appraisal and apply appropriate weightings. Given its importance, we will attach a higher weight to the Statement of Priorities. The overall score for an LEA will be based on the weighted average of the score for each element. In recognition of the degree to which Authorities' AMPs have developed over the last year, we do not intend to apply automatically last year's principle whereby an unsatisfactory score in any one area would result in a unsatisfactory score overall.

49. As the programme of CEO/CE visits is likely to extend beyond the normal appraisal period, the DfES will need to reserve the discretion to retrospectively modify appraisal gradings, allocations and funding autonomy where CEO/CE discussions indicate significant weaknesses in an Authority's processes that were not evident at the time of the earlier assessment.

50. For 2003-04, while AMP processes are still developing, particularly in relation to strategic issues, we plan to give one-year approval to all LEAs with satisfactory AMPs. Authorities appraised as having unsatisfactory AMPs will have reduced spending autonomy, which will involve the Department approving allocations on a project-specific basis before funding is released. This status will also affect discretionary additional allocations through the SCP, and unsatisfactory performance in managing assets will be taken into account in consideration of future proposals for funding. These Authorities would be expected to draw up and implement proposals for remedial action.

Supplying appraisal information

51. The information specified in paragraph 34 must be with the DfES by 31st July 2002. We need either:

- electronic version of all documents e-mailed to: cat.lid@dfes.gsi.gov.uk

Or:

- two hard copies of each document sent to:

Central Administration Team
Local Implementation Division,
DfES,
Mowden Hall,
Staindrop Road,
Darlington,
DL3 9BG.

52. LID will e-mail LEAs at the end of June reminding them of the closing date for the supply of these documents. Authorities should note that the deadline can only be exceeded in exceptional circumstances and only by prior written agreement with LID in advance of the 31st July deadline. LEAs supplying documentation after 31st July (or the extended deadline as may have been agreed) will be considered to have unsatisfactory AMPs and have funding autonomy withdrawn. This will also impact on the education ratings that influence the Single Capital Pot discretionary element.

53. Authorities should receive written feedback in December showing the areas of the AMP that need further development.

54. For those Authorities that still need to provide revised condition or suitability data, this information should be supplied to DfES as and when it becomes available in accordance with the data transfer guidance on the AMP web page at www.dfes.gov.uk/amps/

55. Other enquiries about AMP appraisal issues should, in the first instance, be directed to the Authority's LID territorial contact.

56. The table below shows our current best view of the timescale for the appraisal of school AMPs, alongside that for the SCP.

Dates	**Appraisal arrangements for 2003-04 school AMP**	**Appraisal arrangements for 2003-04 Single Capital Pot**
April 2002	DfES issues AMP appraisal guidance.	DTLR issues final guidance. Local Authorities review their Capital Strategies and Corporate AMPs.
May 2002 to March 2003	Meetings and discussions with CEs and CEOs.	
July 2002	By 31st July 2002, LEAs supply school AMP information for appraisal: • Statement of Priorities; • Local Policy Statement; • Project details.	By 31st July 2002, Local Authorities supply Capital Strategies and Corporate AMPs for appraisal.
August 2002	DfES begin assessment of documentary AMP information.	Government Offices begin assessment of Capital Strategies and Corporate AMPs, with input from LID on school AMP-related issues.
October 2002	Advice to Ministers on outcome of AMP appraisal.	Education AMP results fed to DTLR
November 2002		Ministerial discretion on Local Authorities' performance from information provided by Government Office assessment team
December 2002	Capital allocations made. Main feedback on AMP appraisal.	SCP Allocation made.

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SECTION 3: INFORMATION TO BE SUPPLIED FOR 2004-05 APPRAISAL

57. Full guidance on the arrangements for the 2004-05 appraisal of AMPs will be provided in Spring 2003, but to help Authorities' forward planning, we have listed below the data we need to collect to inform next year's appraisal process, benchmarking publications and capital policy.

School premises data: basic factual data[5]

58. Data should be supplied as specified on pages 11 and 12 of DfES AMP guidance *Section 2: Property Information Systems and School Premises Data* - except for teaching area and energy and water data[6].

Condition and suitability data[5]

59. Condition data should be supplied as specified on page 12 of DfES AMP guidance *Section 3: Condition Assessment*, except for 'condition category' data. This is in response to the limited use we have for this data in terms of future appraisal and benchmarking. Following consultation with the AMP User Group and other partners, we have placed a list of amendments to *Section 3: Condition Assessment* on the AMP web page at www.dfes.gov.uk/amps/. The amendments reflect the above change and clarify other aspects of the guidance.

60. For those LEAs that still need to supply condition data following last year's apprasial, we do not expect any changes to the assessments or data in respect of this revised guidance. The revisions should be taken into account in the assessments on which next year's data submission are based.

61. Suitability data should be supplied as specified on page 26 of DfES AMP guidance *Section 4: Suitability Assessment*. Particular attention is drawn to the need to carry forward shortfall impacts as referred to in paragraph 50 of the suitability guidance.

62. Aggregated condition and suitability data will be used to inform the needs based element of NDS capital allocations for 2004-05; therefore, Authorities that have not already done so should consider extending condition and suitability surveys to all schools. We will, though, be reviewing the weighting attached to the needs based element.

63. As before, we plan to appraise data and survey processes prior to using data for allocations. This appraisal is likely to focus particularly on data returns that lie outside normal benchmark ranges.

64. Premises, condition and suitability data should be supplied in **April/May 2003** (date provisional). We shall be writing separately to LEAs to confirm the dates and

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[5] We do not expect Authorities to carry out complete re-surveys to provide this, but the data should be reasonably up to date at the time of transmission to reflect significant changes that have occurred since the last data collection exercise. With regard to condition, surveys should be used by Authorities and schools to support their maintenance programmes, and the accuracy of the data should be appropriate to that use.

[6] We will inform Authorities separately of the arrangements and timescale for collecting energy and water data.

explain the transmission arrangements.

Net capacity data

65. Net Capacity data should be supplied as specified on page 2 of Mukund Patel's letter of 12 November 2001, over the period **October - November 2002.** We shall be writing separately to LEAs to explain the transmission arrangements.

ANNEX A: APPRAISAL FRAMEWORK FOR STATEMENT OF PRIORITIES

1. Context

1.1 The introduction should include a statement setting out the Authority's vision for school standards in which it identifies key areas where delivery is underpinned by capital investment needs.

1.2 This may also include reference to other key local factors that may impact heavily on the strategy (e.g. relating to the socio-economic context and deprivation; salient changes underway in terms of major housing development, urban regeneration, school population increase or decrease).

2. Strategic priorities

2.1 The statement should set out the Authority's strategic priorities for capital investment in schools. As well as the direct capital consequences of LEA plans, the priorities will cover large-scale reviews of provision in the area, specific issues for which funding has been made available and crosscutting issues.

2.2 Priorities should also fully reflect modernisation of the stock as well as wider issues relating to social cohesion and regeneration where appropriate, and stewardship obligations with regard to condition, health and safety etc.

2.3 In considering priorities and targets, LEAs need to have regard to the achievement of national initiatives – DfES priorities are set out in the Executive Summary. The Department regards the first four as being particularly high priority for the purposes of developing plans for investment

2.4 It should be made clear whether priorities are considered equally or whether an order applies.

3. Timescale

3.1 The planning horizon needs to be at least to the end of the forthcoming Spending Review period 2005-06. Whilst some plans to this horizon may be provisional, Authorities should be identifying clear strategies and plans on the basis of a continuing baseline, taking into account the DfES's main formulaic allocations of capital already made for 2003-04.

4. Improvement targets

4.1 They should reflect locally agreed capital priorities and be challenging but realistic. Targets need to be updated each year to take account of the effect of building work being carried out, and of changing needs and priorities emerging through the year, e.g. in relation to demographic, social and political changes that affect the size and structure of the pupil population.

4.2 Targets should relate to the priorities identified in the plan and should include:

- baseline measure;
- estimated cost of achieving the target;

- realistic assessments of the consequential desirable outcomes eg the number of pupils/staff befitting, improvements in attainment standards, lifetime cost savings etc.

4.3 Progress against targets set last year should include:

- actions taken to achieve targets
- outputs against original targets;
- effect on current targets

5. Consistency with LPS.

5.1 The Statement of Priorities should be consistent with the prioritisation and other processes set out in the underpinning Local Policy Statement.

6. Making best use of available funds

6.1 LEAs should show that funding streams are joined up and used, as far as possible, for strategic larger scale modernisation schemes addressing a range of central and local priorities that will secure best value through focusing on lowest lifetime costs, thus avoiding the 'patch and mend' policies of the past.

6.2 The statement should identify where delivery of key elements of the plan are subject to a bidding process (e.g. TCF/PFI) and whether contingency arrangements are in place to deliver if the bid is unsuccessful.

6.3 LEAs should show that they have the professional resources in place to ensure that all available capital funding is invested as quickly as possible to bring benefits to pupils, after appropriate options appraisal and reflecting good design practice.

6.4 The LEA should identify the basic principles underlying its capital investment strategy. This could include school responsibilities, the process for review of progress against targets, the use of option appraisal techniques and procurement and project delivery mechanisms.

7. School capital programme and capital funding sources

7.1 The statement should identify how the LEA's strategic priorities translate into its capital programme and its approach to funding sources and delivery mechanisms such as PFI.

7.2 The statement should be supported by a financial summary of the school capital programme and the capital funding sources. These should show, in the form of a table, actual/expected sources of capital funding for schools, outturn figures for 2001-02, and the total estimated education expenditure for each year to 2005-06. Sources of funding should be split between that for DfES support (whether grant or borrowing approval), other central government support, receipts, etc. We would expect the amounts shown as DfES support to equate to the total allocated to the LEA each year. An explanation on the use of PFI credits to support the delivery of priorities should be added.

7.3 The capital programme summary should also include a list of the major projects over £250,000 in which it is planned to invest capital resources.

ANNEX B: APPRAISAL FRAMEWORK FOR LOCAL POLICY STATEMENT

AMP areas to be appraised:

1. Consultation.

1.1 The arrangements for consulting local partners on elements of the AMP and on arrangements for determining priorities

1.2 The operation of the AMP representative group and its membership

1.3 Local feedback arrangements to schools.

2. Premises information

2.1 The basis for keeping data on building sufficiency, suitability and condition needs up to date and sufficiently accurate to enable the LEA and schools to carry out stewardship responsibilities effectively

3. Prioritisation

3.1 The arrangements for involving local partners in the prioritisation process, how decisions are made, and the process for disseminating the results.

3.2 How the prioritisation process is made comprehensive, transparent, objective, rational, and fair for all partners.

3.3. The arrangements for setting individual school level priorities within the strategic priorities arising from plans, reviews etc.

4. Embedding the AMP process at school level

4.1 The basis for seeking commitments from schools, and monitoring their delivery, in terms of establishing the links between building investment and raising educational standards, including explicit links with School Development/Improvement Plans

4.2 The approach to encouraging and guiding schools to properly fulfilling their stewardship responsibilities in relation to their delegated and devolved budgets, and deploying this funding in line with locally agreed AMP priorities. This will involve schools implementing appropriately funded planned preventative maintenance programmes, which give security and health and safety issues top priority, and also ensure external redecorations are carried out at least every 5 years.

4.3 Ensuring there is no differential delegated funding arrangements for repair and maintenance in VA schools, in line with recent changes in liabilities.

4.4 The arrangements for 'light touch' monitoring of how schools fulfil their stewardship responsibilities and of their premises expenditure.

4.4 Arrangements for training heads and governors on their AMP responsibilities and other methods of raising awareness to ensure that AMP processes become embedded at school level.

5. Securing best value

5.1 Arrangements for ensuring capital allocations are joined up and used strategically to deliver best value, modernising projects that address local and national priorities, and are in line with the *Schools for the Future* agenda.

5.2 Arrangements for ensuring sufficient asset management capacity are built within the Authority to ensure capital allocations are spent within the relevant financial year.

5.3 The application of DfES/DTLR options appraisal guidance *Finding the Right Solution* (or equivalent) to compare available options over the full life of capital assets and thus maximise cost effectiveness.

5.4 Post-implementation evaluation of educational outputs from projects.

5.5 The application of DfES area, cost and design guidance to inform project development.

5.6 The implementation of Rethinking Construction recommendations and securing Egan Targets, where appropriate.

6. Commitment to the delivery of Government Priorities.

6.1 Authorities should indicate where any of the priorities below do not have capital implications and state the reasons why, particularly in the context of the Department regarding the first four as being particularly high priority for the purposes of developing plans for investment.

- Security strategy for all schools;
- Schools causing concern, including schools in challenging circumstances;
- The approach to increasing diversity (including planned Academies);
- Wider behaviour initiatives, such as Pupil Referral Units;
- Inclusion, and providing efficient high quality provision for pupils with SEN eg in relation to the requirements of the Disability Discrimination Act;
- The extended schools agenda, including the community use of facilities and integrating education and other local Authority services and needs - for example, Sure Start, nursery provision (particularly to meet the pledge on three year olds), childcare for 4-14 year olds and lifelong learning;
- Addressing teacher workload issues and remodelling the school workforce, such as accommodation for more adults and support staff in schools, more and improved facilities to enable teachers to make the best use of non-contact time, and more flexible school designs to enable delivery of innovative teaching and learning;
- Supporting the 14-19 agenda;
- Expanding successful schools;
- Providing high quality and sustainable building design solutions that reflect

the aspirational priorities expressed in *Schools for the Future*, and the future needs of ICT-based education;

- National Curriculum requirements, including manifesto commitments on music and PE/sport, and the need to provide satisfactory science laboratories and design and technology facilities.

ANNEX C: PROJECT DETAILS

The table below indicates the type of details that we want to collect on 10, or, if less, all of the projects planned to start on site in 2003-04. Five of these should be the five largest projects by value, the other five should as far as possible be representative of the other projects in your programme.

A web-based data inputting system will be operational for this purpose at the end of May 2002 at www.dfes.gov.uk/amps/. This information should be supplied by the end of July 2002.

AMP APPRAISAL: PROJECT DETAILS
Name of LEA:
Number of LEA:
Project number [1-10]
1. School name(s):
2. School number(s):
2. Project description (Not more than 100 words, including any special features):
3. Estimated value:
4. Proposed date for start on site:
5. Project duration:

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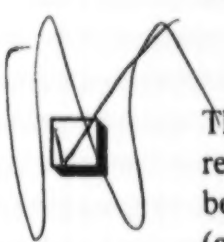

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